



13915 Live Oak Ave.  
Irwindale, CA 91706  
TEL: (626) 869-7708  
Email: info@insiderslogistics.com

## Terms & Conditions

### Insiders Logistics Corporation

#### Acceptance and Interpretation

The following terms and conditions (“**terms**”) shall be deemed to be incorporated into and form part of any contract between Insiders Logistics Corporation., hereinafter referred to as “**Insiders**” and the Client as “**Client**” in relation to the provision of all business undertaken by Insiders (“**Services**”). Receipt of an order or confirmation of a quotation from the Customer will be deemed to be acceptance by the Customer of these Conditions. These Conditions shall apply to all business undertaken by Insiders, provided that where a document is issued by or on behalf of Insiders and bears the title of, and provides that Insider contracts as carrier, the provisions set out in that document, if inconsistent with these Conditions, shall be paramount and prevail over these Conditions to the extent that such provisions are inconsistent but no further. All other terms and conditions are hereby expressly excluded. No servant or agent of Insiders has any authority to add or to vary these Conditions unless such addition or variation is reduced to writing and signed by a duly authorized representative on behalf of Insiders. Insiders reserves the right to amend these conditions at any time. Unless otherwise stated, the current version shall supersede and replace all previous versions of these terms and conditions. Any variation requested by the Customer must be agreed to in writing by Insiders to be effective.

#### Logistics Services

- a. Client agrees on a compensation basis as forth herein, to use the Service of Insiders. Client authorizes and appoints Insiders to act as its agent to procure, distribute, transport, and fulfill its logistics needs, including but not limited to the provision of Services for handling, warehousing, transporting, and inventorying Client’s Goods.
- b. Insiders will have sole and exclusive discretion as to the manner in which Services are provided under the Agreement, so long as such Services are provided in accordance with the terms and conditions of the Agreement. Insiders may utilize subcontractors and third parties in the performance of the Services.

#### Ownership of Goods Deposited for Storage, Tender of Goods

- a. Client represents and warrants that Clients is lawfully possessed of the Goods and has the right and authority to store them with Insiders. Client agrees to indemnify and hold harmless Insiders from all loss, cost, and expense (including reasonable attorneys’ fees) which Insiders pays or incurs as a result of any dispute or litigation, whether instituted by Insiders or others, respecting Client’s right, title, and interest in the Goods. Such amounts shall be charged in relation to the Goods and subject to Insiders lien.
- b. Insiders shall have a security interest in and general lien on all goods or documents relating to goods in its possession for all moneys outstanding at any time from the Client, and shall be entitled to sell or dispose of such goods or documents at the expense of the Client and apply the proceeds in or towards the payment of such outstanding moneys (and costs and expenses of enforcement and additional charges referred to in these Conditions) on 28 days’ notice in writing to the Client.
- c. Client agrees that all Goods shipped to Insiders shall identify Client on the bill of lading or other contract of carriage as the named consignee in care of Client and shall not identify Insiders as the consignee. If in violation of this Terms & Conditions. Goods are shipped to Insiders as named consignee on the bill of lading or other.



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contract of carriage, Client agrees to immediately notify carrier in writing, with copy of such notice to Insiders, that Insiders names as consignee is the "in care of party" only and has no beneficial title or interest in the Goods. Furthermore, Insiders should have the right to refuse such goods and shall not be liable for any loss, mis-consignment, or damage of any nature to, or related to, such Goods. Whether

Insiders accepts or refused Goods shipped in violation of this section, Client agrees to indemnify and hold Insiders harmless from all claims for transportation, storage, handling, and other charges related to such Goods, including undercharges, rail demurrage, truck/intermodal detention and other charges if any nature whatsoever.

d. All Goods shall be delivered at the Facility property marked and packaged for storage and handling. Client shall furnish at or prior to such delivery a manifest showing marks, brands, or sizes to be kept and accounted for separately, and the class of storage and other services desired.

#### **Facility, Transfer, Termination of Storage, Removal of Goods.**

a. Subject to the following items, warehousing services shall be provided at the facility.

b. Instructions to transfer Goods on the books of Insiders are not effective until delivered to and accepted by Insiders and all charges up to the time transfer is made are chargeable to Client. If a transfer involves re-handling the Goods, such will be subject to a charge. When Goods in storage are transferred from one party to another through issuance of a new warehouse receipt, a new storage date is established on the date of transfer.

c. Insiders reserves the right to move, at its expense, 14 days after notice is sent by certified mail or overnight delivery to Client, and Goods in storage from the Facility in which they may be stored to any other of Insiders warehouses or facilities. Insiders will store the Goods at and may without notice move the Goods within and between, any one or more of the warehouse buildings which comprise the Facility identified in the Agreement.

d. Insiders may, upon written notice of not less than 30 days to Client and any other person known by Insiders to claim an interest in the Goods, require the removal of any Goods. Such notice shall be given to the last known place of business of the person to be notified. If Goods are not removed before the end of notice period, Insiders may sell them in accordance with applicable law.

e. Insiders in good faith believes that the Goods are about to deteriorate or decline in value to less than the amount of Insiders lien before the end of the 30-day notice period referred to in Section 3(d). Insiders may specify in the notification any reasonable shorter time for removal of the Goods and if the Goods are not removed, may sell them at public sale held one week after a single advertisement or posting as provided by law.

f. If as a result of a quality or condition of the Goods of which Insiders had no notice at the time of deposit the Goods are a hazard to other property or to the Facility or to persons. Insiders may sell the Goods at public or private sale without advertisement on reasonable notification to persons known to claim as interest in the Goods. If Insiders after a reasonable effort is unable to sell the Goods it may dispose them in any lawful manner and shall incur no liability by reason of such disposition. Pending such disposition, sale or return of the Goods. Insiders may remove the Goods from Facility and shall incur no liability by reason of such removal.

g. An inventory level fluctuation exceeds 50% shall provide 60 days pre-notice to Insiders for Insiders to provide Client sufficient service volume. Failure of notice will void service/time guarantee provided by



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Insiders. A decrease of inventory level exceeds 50% without notice/general market adjustment (such as, but not limited to high season, general sales promotion) may consider an act of Pre-termination. Insiders may use the date of inventory reduction that exceed 50% as the 90 days count down for the termination process.

#### **Handling.**

- a. The handling charge covers the ordinary labor involved in receiving Goods at warehouse door, placing Goods in storage, and returning Goods to warehouse door. Handling charges are due and payable on receipt of Goods.
- b. Unless otherwise agreed in writing, labor for unloading and loading Goods will be subject to a charge. Additional expenses incurred by Insiders in receiving and handling damaged Goods, and additional expense in unloading from or loading into cars or other vehicles are chargeable to Client.
- c. Labor and materials used in rail cars or other vehicles are chargeable to Client.
- d. Packaging material, including boxes, bubble wrap, and other items required for packaging will be provided by Client. In case of shortage, Insiders will procure the items to avoid the down time and the expenses will be billed to Client.
- e. Insiders shall not be liable for any demurrage or detention, any delays in unloading inbound cars, trailers or other containers, or any delays in obtaining and loading cars, trailers or other containers for outbound shipment unless Insiders has failed to exercise reasonable care.

#### **Delivery Requirements.**

- a. No Goods shall be delivered or transferred except upon receipt by Insiders of Client's complete written instructions. Written instructions shall include, but not limited to, FAX, EDI, E-Mail, or similar communication, provided. Insiders has no liability when relying on the information contained in the communication as received. Goods may be delivered upon instruction by telephone on accordance with Client's prior written authorization, but Insiders shall not be responsible for loss or error occasioned thereby.
- b. When Goods are ordered out, a reasonable time shall be given Insiders to carry out instructions, and if it is unable because of God, war, public enemies, seizure under legal process, strikes, lockouts, riots or civil commotions, or any reason beyond Insiders control, or because of loss or damage to Goods for which Insiders is not liable, or because of any other excuse provided by law. Insiders shall not be liable for failure to carry out such instructions and Goods remaining in storage will continue to be subject to regular charges.

#### **Extra Services.**

- a. Warehouse labor required for services other than ordinary handling and storage will be charged to Client.
- b. Special services requested by Client including but not limited to compelling of special stock statements; reporting marked weights, serial numbers or other data from packages; physical check of Goods; and handling transit billing will be subject to a charge.



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- c. Dunnage, bracing, packing material or other special supplies, may be provided for Client at a charge in addition to contracted cost.
- d. By prior arrangement, goods may be received or delivered during other than usual business hours, however it is subject to an additional charge.
- e. Communication expenses including postage, overnight delivery, or telephone may be charged to Client if such concern more than normal inventory reporting or if, at the request of Client, communication is made by other than regular United States Mail.
- f. Expenses for IT services, equipment and maintenance beyond ordinary use will be charged to Client.
- g. Any additional material handling and/or equipment beyond basic equipment and setup that may be required by Client and provided by Insiders will be charged to Client.

#### **Service Charges and Responsibility of Payment**

- a. Insiders will bill Client on a monthly basis, and Client agrees to pay, in full, all invoices issued by Insiders within 7 calendar days of invoice date.
- b. In the event Client disputes an amount or item contained on an invoice. Client must furnish written notice to Insiders of its dispute of any amount within 10 calendar days after Client receives such invoice. Any invoiced amount for which a notice of dispute is not timely furnished shall be deemed correct and conclusively accepted by Client, and Client waived any claim after said 10 calendar days period. Submission of a written dispute notice by Client shall not relieve Client of its obligation to timely pay all undisputed amounts. Incorrectly invoiced amounts for which Client has made payment will be credited towards the next invoice.
- c. All past-due invoices shall be subject to the higher of 5% non-negotiable and non-refundable monthly service charge or interest at the maximum rate permitted by law.
- d. Client agrees to pay Insiders all reasonable attorney's fees. Collection fees, cost, and expenses incurred by Insiders in any legal action brought to collect unpaid invoice balances owed by Client or to enforce this Agreement.
- e. Insiders shall have a general warehouse lien for all lawful charges for storage and preservation of the Goods., also for all lawful claims for money advances, interest, insurance, transportation, labor, weighing cooperating, and other charges and expenses in relation to such Goods, and for the balance on any other accounts that may be due Insiders further claims a general warehouse lien or all such charges, advances and expenses with respect to any other Goods stored by Client in any other facility owned or operated by Insiders in order to protect its lien. Insiders reserves the right to require advance payment of all charges prior to shipment of Goods.

#### **Care of Goods.**

- a. Insiders shall exercise reasonable care and diligence in protecting and preserving Goods deposited by Client.
- b. Insiders shall keep Goods deposited by Client sufficiently separate from other storage goods to permit identification and delivery of Client's Goods.



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### **Shrinkage Allowance.**

- a. Insiders is responsible for the net shrinkage and/or damage to Client's Goods only in excess of 0.50% ("Shrinkage Allowance") of total units received on an annual basis (or prorated thereof) against Insiders warehouse management system ("WMS").
- b. In the event the aggregate damage and shrinkage is in excess of the Shrinkage Allowance, and provided that Client is not delinquent in payment or otherwise in material breach of this Agreement, Insiders shall reimburse Client for such excess damage and/or shrinkage based on the actual manufactured, or at Insiders discretion, actual landed cost of the Goods. The reimbursable amount will be deducted in equal amounts from each invoice in the following quarter. Client agrees to provide Insiders with proof of manufactured and/or landed costs upon request by Insiders. The total reimbursement will be limited to 15% of the annual invoice value. Client may also purchase additional inventory shrinkage insurance and share the insurance premium value with Insiders. Insiders will agree to cover 25% of the premium value plus deductible.
- c. Casualty damage/losses, display items, no-charge items, receiving errors that do not reflect actual loss, and key punch errors into the WMS are excluded from the Shrinkage Allowance calculation.
- d. In consideration for the Shrinkage Allowance, Insiders agrees to perform a cycle count on 25% of the warehouse bin locations quarterly and perform one physical inventory in each 12-month period (the labor for which physical inventory may be charged and invoiced to Client at Insiders hourly special project rate). The net result of physical inventory counts will serve as the measurement calculation for the Shrinkage Allowance determination. The labor charge will only be billed to Client unless special inventory count instruction is required, or additional physical count is needed.
- e. All shrinkage and damage claims must be reconciled on an Annual Basis. If Client refuse to complete physical inventory count annually will be rise its shrinkage allowance state in Section 9a in proportion of the allowance. The rate will be sent to Client either after refusal of the count or fail to reply the inventory count request within 30 days.

### **Notice of Claim and Filing of Suit.**

- a. Claims by Client and all other persons must be presented in writing to Insiders within a reasonable time, and in no event any later than the earlier of: (i) 30 calendar days after deliver of the Goods by Insiders or (ii) 30 calendar days after Client is notified by Insiders that loss or damage to part or all of the Goods has occurred.
- b. No lawsuit or other action may be maintained by Client or others against Insiders for loss or damage to the Goods unless timely written claim has been given as provided in paragraph (a) of this section and unless such lawsuit or other action is commenced by no later than the earlier of: (i) three months after date of delivery by Insiders or (ii) three months after Client is notified that loss or damage to part or all of the Goods has occurred.
- c. When Goods have not been delivered, notice may be given of known loss or damage to the Goods by mailing of a letter via certified mail or overnight delivery to the Client. Time limitations for presentation of claim in writing and maintaining of action after notice begin on the date of mailing of such notice by Insiders.
- d. Client may not withhold any payments or past dues on the basis of a pending claim.



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### **Liability for Miss Shipment**

If Insiders negligently miss-ships Goods, Insiders shall pay the reasonable transportation charges incurred to return the miss-shipped Goods to the Facility. If the consignee fails to return the Goods, Insiders maximum liability shall be for the lost or damaged Goods as specified in herein, and Insiders shall have no liability for damages due to the consignee's acceptance or use of the Goods whether such Goods be those of Client or another.

### **Accurate Information.**

Client will provide Insiders with information concerning the Goods which is accurate, complete and sufficient to allow Insiders to comply with all laws and regulations concerning the storage, handling and transporting of the Goods. Client will indemnify and hold Insiders harmless from all loss, cost, penalty and expense (including reasonable attorneys' fees) which Insiders pays or incurs as a result of Client failing to fully discharge this obligation.

### **Liability and Limitation of Damages; Liability for Consequential Damages.**

- a. Insiders shall not be liable for any loss or damage to goods tendered, stored or handled however caused unless such loss or damage resulted from the failure by Insiders to exercise such care in regard to them as a reasonably careful person would exercise under like circumstances.
- b. Goods are not insured by Insiders against loss or damage however caused.
- c. Client declares that damages are limited to \$0.50 per pound, provided, however, that such liability may at the time of acceptance of this agreement be increased, upon Client's written request and Insiders' written acceptance, on part or all of the goods hereunder in which event an additional monthly charge will be made based upon such increased valuation. An original commercial invoice which submits for the manufacturing costs may serve as a valid document to prove items value.
- d. Where loss or damage occurs to tendered, stored or handled goods, for which Insiders is not liable, Client shall be responsible for the cost of removing and disposing of such goods and the cost of any environmental cleanup and site remediation resulting from the loss or damage to the goods.
- e. Insiders shall not be liable for any loss of profit or special indirect, or consequential damages of any kind.

### **Documents of Title.**

Documents of title, including warehouse receipts, may be issued either in physical or electronic form at the option of both parties.

### **Non-Solicitation of Insiders Personnel**

Client shall not for the life of this Agreement and the 3-year period following its expiration or termination, recruit or hire any employees, workers or personnel employed, engaged, or utilized by Insiders to provide Services. Client



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acknowledges that Client's breach of foregoing restrictions will cause Insiders to incur substantial economic damages and losses of types and in amounts.

which are impossible to compute and ascertain with certainty as a basis for recovery by Insiders of actual damages, and that liquidated damages represent a fair, reasonable and appropriate estimate thereof. Accordingly, Client shall be liable to Insiders for payment of liquidated damages in the amount equal to the annual salary of each employee, worker or personnel recruited or hired by Client in violation of the foregoing restrictions.

### **Severability and Waiver**

- a. If any provision of this Agreement, or any application thereof, should be construed or held to be void, invalid or unenforceable, by order, decree or judgement of a court or competent jurisdiction, the remaining provision of this Agreement shall not be affected thereby but shall remain in full force and effect.
- b. Insiders failure to require strict compliance with any provision of this Agreement shall not constitute a waiver or estoppel to later demand and strict compliance with that or any other provisions(s) of this Agreement. Assigns of both Client and Insiders; contain the sole agreement governing Goods tendered to Insiders and, cannot be modified except by a writing signed by Insiders and Client.

### **Governing Law and Jurisdiction**

This Agreement and the legal relationship between the parties hereto shall be governed and construed in accordance with the substantive laws of the state where the Facility is located, notwithstanding its conflict of laws rules. Any lawsuit or other action involving any dispute, claim, or controversy relating in any way to this Agreement shall be brought only in the appropriate state or federal court in the state where the Facility is located.